

Sale of Mother's Home

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Carol writes:

My mom will be closing on the sale of her house next week to move to assisted living. The profit will be split evenly between her, myself, and my two siblings since the house is in all of our names. My siblings and I want to preserve as much of our portions as possible to help with her assisted living costs. Any thoughts would be appreciated.

My response:

It's a shame that you're asking this question now, thinking about this now, instead of whenever it was that you decided it was wise for you and your siblings to be put on the title of your mother's home. Since you already made that mistake, unfortunately it's too late for most tax planning options.

The best advice I can offer at this point is to find the best tax attorney, best elder law attorney and best tax professional possible before you close on the property. You may be able to transfer the property out of your names somehow, but it would need to be done legally and without fraud (the reason it's so important to have good representation) **before** the property is sold.

The tax attorney will hopefully be able to help you with a transfer, assuming it's possible and feasible.

The elder law attorney may be able to assist you with your mother's assisted living. Many assisted living institutions have a graduated charge depending on assets and income. If your mother's income and assets are limited, you may be able to get some government assistance. In this instance it would be beneficial to her to not have a large gain from the sale of her house.

And of course, a good tax professional will be able to help you with the tax consequences of the sale.

Gina L. Gwozdz is a CPA who has chosen to specialize in taxes. Visit her website at <http://GLGcpa.com> to view more Tax Tip Articles.